

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7174

BILL NUMBER: HB 1612

DATE PREPARED: Jan 10, 2001

BILL AMENDED:

SUBJECT: Private investigators and security guards.

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FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill changes the name of the private detectives licensing board to the "private investigator and security guard licensing board". It makes conforming amendments and other changes, including the following:

- (1) Revising private investigator and security guard qualifications for licensure.
- (2) Specifying types of licenses.
- (3) Allowing reciprocity with other states.
- (4) Setting forth qualifications for licensing of security guards.

This bill also relocates the statutes regulating the certification of polygraph examiners by the state police department.

Effective Date: July 1, 2001.

Explanation of State Expenditures: The Indiana Professional Licensing Agency (PLA) provides administrative support for the Private Detective Licensing Board. This bill may increase expenditures for the Board. Changing the name of the Board will require the Agency to change stationery, forms, and other supplies that contain the old name. The PLA will also need to modify rules and procedures governing private investigators and security guards and notify the public of the changes. Adding another board member will result in an annual increase of an estimated \$2,000. The PLA, however, could probably absorb these additional costs given its current budget.

Explanation of State Revenues: This bill revises qualifications for licensure as a private investigator, allows for reciprocity in other states, and provides for the licensure of security guards. The revisions in the qualifications for licensure as a private investigator and allowing for reciprocity in other states should not have a significant fiscal impact.

Security guards and companies that supply security guards currently fall under licensure regulations for private detectives. Consequently, the PLA should receive about the same amount of license fee revenue if security guards are given a separate classification by this bill.

The bill provides that the PLA will assess a \$200 license fee if an individual applies for a license for both a private investigator and a security guard. There may be a slight increase in fees collected due to this provision. Currently, applicants for a private detective license pay a \$150 fee and can presumably work as either a private detective or a security guard. Since the bill would create a license for a security guard, it is possible that some individuals may apply for both licenses, increasing more fee revenues. As the proposed requirements of the security guard license are very similar to the current requirements of the private detective license, it is not certain that a large increase of new security guard licenses would occur. The specific impact from this provision is indeterminable.

As of December 2000, the PLA reports that 642 private detective agencies have active licenses. In addition, there are 11,167 authorized employees with active licenses. As of September 1999, ten private detectives had active licenses. The following revenue was collected from private detective licensure between FY 1996 and FY 2000:

<u>Fiscal Year</u>	<u>Amount</u>
1996	\$109,575
1997	\$139,557
1998	\$115,177
1999	\$143,510
2000	\$104,450

Private detective license fees are deposited in the State General Fund.

There are three penalty provisions in the bill, a Class A misdemeanor, Class A infraction, and a Class C infraction.

If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class A misdemeanor is \$5,000. The maximum Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

The maximum judgment for a Class A infraction is \$10,000 which is deposited in the state General Fund. If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed. 70% of the court fee would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

The maximum judgment for a Class C infraction is \$500 which is deposited in the state General Fund. If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed. 70% of the court fee would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed

in a city or town court.

Explanation of Local Expenditures: A Class A misdemeanor is punishable by up to one year in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

Explanation of Local Revenues: If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee, if a Class A misdemeanor, \$70 if either a Class A or Class C infraction, that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: Indiana Professional Licensing Agency; Indiana State Police.

Local Agencies Affected: Trial courts; Local law enforcement agencies.

Information Sources: Indiana Professional Licensing Agency, Indiana Handbook of Taxes Revenues and Appropriations; Office of the Auditor of State.